Thursday, July 27, 2006

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Purchasing Office RECOMMENDATION FOR COUNCIL ACTION ITEM No. 46

Subject: Authorize award and execution of a contract with ENVIRONEX, INCORPORATED, Devon, PA, for testing and assessment services to evaluate the operation and performance of the Selective Catalytic Reduction (SCR) systems at the Sand Hill Energy Center in an amount not to exceed \$49,100.

Amount and Source of Funding: Funding is available in the Fiscal Year 2005-2006 Amended Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material

(click to open)
No Attachments Available

For More Information: Martha L. Gaines, Buyer II/322-6583

Purchasing Language: Sole bid received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for testing and assessment services for the selective catalytic reduction systems at Sand Hill Energy Center (SHEC). The process of combusting fuel in the SHEC gas turbines produces oxides nitrons oxide (NOx). These gases are pollutants and must be controlled within the limits specified in SHEC's air permit. A Selective Catalytic Reduction (SCR) system is installed in each simple cycle gas turbine unit to reduce the amount of NOx in the exhaust gas leaving the stack.

The SCR modules are subject to degrading performance over time if they become dirty or clogged. Additionally, the modules have a specified useful lifespan and have to eventually be replaced. In order to determine catalyst remaining life, it is necessary to secure the services of an experienced testing laboratory.

MBE/WBE solicited: 0/0 MBE/WBE responded: 0/0 MG06300018 PRICE ANALYSIS a. Sole bid received. Several potential bidders were contacted to inquire why they did not submit a bid. Some vendors stated they could not perform this type of testing. Others felft they could not be competitive since they were located out of state. b. Eight notices were sent. There are no MBEs/WBEs available for this commodity code. Two solicitations were issued. One bid was received. c. This is the first purchase of this type; therefore, there is no pricing history available. APPROVAL JUSTIFICATION a. Sole bid. b. The Purchasing Office concurs with Austin Energy's recommended award. c. Advertised on the Internet.